



248184  
2006-268E

Laura Bateman  
Carolinas Rates & Regulatory Strategy  
410 S. Wilmington Street  
Raleigh, NC 27601  
919.546.3324  
[Laura.Bateman@duke-energy.com](mailto:Laura.Bateman@duke-energy.com)

RECEIVED  
2013 NOV 27 AM 11:39  
SC PUBLIC SERVICE  
COMMISSION

November 25, 2013

Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending September 30, 2013.

Please feel free to call me at (919) 546-3324 if you have any questions.

Sincerely,

Laura Bateman  
Carolinas Rates & Regulatory Strategy  
Duke Energy

Enclosure

cc: Mr. Dukes Scott  
Executive Director  
Office of Regulatory Staff

Mr. John Flitter  
Director, Electric & Gas Regulation  
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy  
Signature of President

Clark S. Gillespy  
Typed or Printed Name of Person Signing

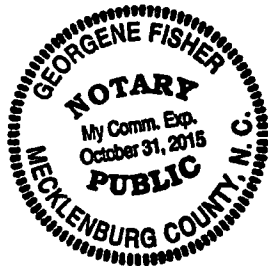
State President, Duke Energy South Carolina  
Title

11/22/13  
Date Signed

Subscribed and sworn to before me this 22 day of November, 2013.

Georgene Fisher  
Notary Public

My Commission Expires: October 31, 2015



RECEIVED  
2013 NOV 27 AM 11:39  
SC PUBLIC SERVICE  
COMMISSION

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

Director Regulated Accounting  
Title

November 20, 2013  
Date Signed

Subscribed and sworn to before me this 20 day of November, 2013.

Kim V. Beal  
Notary Public

My Commission Expires: October 24, 2014

Duke Energy Carolinas, LLC  
 OPERATING INCOME FROM ELECTRIC OPERATIONS  
 SC Quarterly for September 30, 2013  
 (Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustal (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,842,386	23.3787%	\$ 1,599,661	\$ 79,082	\$ 1,678,743
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,687,290	24.8577%	419,422	(1,015)	418,407
5	Purchased Power and Net Interchange	279,086	24.6981%	68,929	(229)	68,700
6	Wages, Benefits, Materials, etc.	1,950,861	23.7285%	462,910	854	463,764
7	Depreciation and Amortization	921,062	24.2980%	223,800	(15,298)	208,502
8	General Taxes	365,221	19.7007%	71,951	9,252	81,203
9	Interest on Customer Deposits	7,207	11.7386%	846	(1)	845
10	Income Taxes	476,263	20.4239%	97,272	29,234	126,506
11	Amortization of Investment Tax Credit	(5,004)	24.4404%	(1,223)	6	(1,217)
12	Total Electric Operating Expenses	5,681,986	23.6521%	1,343,907	22,803	1,366,710
13	Operating Income	\$ 1,160,400	22.0402%	\$ 255,754	\$ 56,279	\$ 312,033
14	Add: Customer Growth Adjustment				1,805	1,805
15	Income for Return			\$ 255,754	\$ 58,084	\$ 313,838
16	Original Cost Rate Base (b)			\$ 4,089,965	\$ 297,267	\$ 4,387,231
17	Rate of Return on South Carolina Retail Rate Base			6.25%		7.15%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

RECEIVED  
 2013 NOV 27 AM 11:39  
 SC PUBLIC SERVICE  
 COMMISSION

Duke Energy Carolinas, LLC  
 CALCULATION OF RATE OF RETURN  
 SC Quarterly for September 30, 2013  
 (Thousands of Dollars)

Line No.	Description	Total Company Capitalization September 30, 2013		Per Book Embedded			Pro Forma Embedded		
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-Term Debt	\$ 8,292,468	44.95%	\$ 1,838,439	5.25%	\$ 96,518	\$ 1,972,060	5.25%	\$ 103,533
2	Preferred Stock	-	0.00%	-	0.00%	-	-	0.00%	-
3	Members' Equity	10,155,194	55.05%	2,251,526	7.07%	159,236	2,415,171	8.71%	210,305
4	Total	\$ 18,447,662	100.00%	\$ 4,089,965 (a)		\$ 255,754 (b)	\$ 4,387,231 (c)	(e) (f) (g)	\$ 313,838 (d)

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 9.04%.

(f) Includes pre-tax non-firm wholesale sales profits for the total system of approximately (\$1) million for the 12 months ended 09/30/13.  
 Net of tax South Carolina Retail allocation of profits amounts to approximately \$0 million.

(g) Includes net of tax Progress merger costs to achieve of approximately \$20 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ILC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 25,722	\$ -	\$ -	\$ (10,067)	\$ -	\$ (15,655)
2	To Annualize Wage Rate Increase	-	-	-	900	-	425	-	(519)	-	(806)
3	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	7,723	-	(3,023)	-	(4,700)
4	To Reflect CWIP Closings to Plant	-	-	-	-	4,706	827	-	(2,165)	-	(3,368)
5	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(4,349)	-	4,349
6	To Annualize Amortization of Buck and Bridgewater Deferred Costs	-	-	-	-	2,241	-	-	(877)	-	(1,364)
7	To eliminate unbilled revenues	951	-	-	-	-	3	-	371	-	577
8	To Exclude Greenwood Operations	(1,159)	(1,015)	(229)	(1,477)	(715)	(237)	(1)	1,097	6	1,412
9	To Annualize Rate Case Increase and COR Reversal	77,041	-	-	-	(43,375)	511	-	46,928	-	72,977
10	To Annualize Amortization of Rate Case Costs	-	-	-	14	-	-	-	(5)	-	(9)
11	To Annualize Amortization of Return of EDP Reserve	-	-	-	-	(2,057)	-	-	805	-	1,252
12	To Annualize Amortization of Clemson Development Grant	-	-	-	-	300	-	-	(117)	-	(183)
13	To Annualize Amortization of Deferred Costs Related to Cliffside, Dan River, McGuire and Oconee	-	-	-	-	2,772	-	-	(1,085)	-	(1,687)
14	To Annualize Amortization of Regulatory Assets Related to Buck Retirement	-	-	-	-	613	-	-	(240)	-	(373)
15	To Annualize Amortization of Deferred Costs Related to Fukushima and Cyber Security	-	-	-	-	852	-	-	(333)	-	(519)
16	To Normalize Nuclear Refueling Outage Costs	-	-	-	1,417	-	-	-	(555)	-	(862)
17	To Adjust for Nuclear Decommissioning Expense	-	-	-	-	(6,357)	-	-	2,488	-	3,869
18	To Annualize Other Revenues for Connection Charge	2,249	-	-	-	-	-	-	880	-	1,369
19	Total Adjustments	\$ 79,082	\$ (1,015)	\$ (229)	\$ 854	\$ (15,298)	\$ 9,252	\$ (1)	\$ 29,234	\$ 6	\$ 56,279

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 32,915,463		\$ 7,502,911	\$ 160,779	\$ 7,663,690
2	Less: Accumulated Depreciation and Amortization	(13,345,267)		(3,007,596)	12,947	(2,994,649)
3	Net Electric Plant	19,570,196		4,495,315	173,726	4,669,041
4	Add: Materials and Supplies	1,046,127		252,271	(33,824)	218,447
5	Working Capital Investment	1,171,545		263,726	(20)	263,706
6	Plant Held for Future Use	7,065	46.1396%	3,260	-	3,260
7	Less: Accumulated Deferred Taxes	(4,678,210)	23.4884%	(1,098,837)	(9,840)	(1,108,676)
8	Operating Reserves	(248,242)	34.2184%	(84,944)	-	(84,944)
9	Customer Deposits	(115,331)		(27,463)	-	(27,463)
10	Greenwood				(11,088)	(11,088)
11	Construction Work in Progress	1,229,485		286,637	178,312	464,949
12	Total Original Cost Rate Base	\$ 17,982,636		\$ 4,089,965	\$ 297,267	\$ 4,387,231

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 18,041,312		\$ 3,966,268	\$ 85,952	\$ 4,052,220
2	Transmission	2,959,800		543,019	20,517	563,536
3	Distribution (b)	9,488,471		2,400,864	37,585	2,438,449
4	General	765,873		182,673	4,564	187,237
5	Intangible	483,433		113,700	12,161	125,861
6	Subtotal	31,738,889	22.7057%	7,206,524	160,779	7,367,303
7	Nuclear Fuel	1,176,574		296,387		296,387
8	Total Electric Plant in Service	\$ 32,915,463 (a)		\$ 7,502,911	\$ 160,779	\$ 7,663,690
		=====		=====	=====	=====

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$87,386) thousand; includes investment in Appendix J Program Owners's Group (APOG) of \$520 thousand.  
(b) The accounting adjustment in Col. 3 reflects plant in service additions not related to customer growth.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,718,511		\$ 1,359,336	\$ 25,102	\$ 1,384,438
2	Transmission	1,251,709		229,864	1,026	230,890
3	Distribution	4,134,214		1,097,141	(40,554)	1,056,587
4	General	228,944	31.6973%	72,569	1,100	73,669
5	Intangible	374,048		88,009	379	88,388
6	Subtotal	12,707,426	22.4036%	2,846,919	(12,947)	2,833,972
7	Nuclear Fuel	637,841	25.1907%	160,677		160,677
8	Total Accumulated Depreciation and Amortization	\$ 13,345,267 (a)		\$ 3,007,596	\$ (12,947)	\$ 2,994,649

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.76%
10	Steam Production Plant-Specific	14.73%
11	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.72%
12	Hydro Production Plant	1.87%
13	Combustion Turbine Production Plant	2.97%
14	Solar Production Plant	2.97%
	Transmission Plant:	
15	Right-of-Way	1.30%
16	Other	2.12%
17	Distribution Plant	2.22%
18	General Plant	Various
19	Intangible Plant	20.00%

Note: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling \$151,784 thousand and reclassifies cost of removal and other deferred credits to increase accumulated depreciation by \$1,656,157 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
Fuel Stock:						
1	Coal	\$ 395,087	25.1907%	\$ 99,525	\$ (33,824)	\$ 65,701
2	Oil	39,602	25.1907%	9,976	-	9,976
3	Total Fuel Stock	434,689	25.1907%	109,501	(33,824)	75,677
4	Other Electric Materials and Supplies & Stores Clearing	611,438	23.3499%	142,770	-	142,770
5	Total Materials and Supplies	\$ 1,046,127		\$ 252,271	\$ (33,824)	\$ 218,447

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,675		
Price per Ton - Coal	\$ 97.50		
Total Company Pro Forma Inventory	\$ 260,813	25.1907%	65,701
	=====		
Per Book Coal Inventory			99,525
Coal Adjustment			\$ (33,824)
			=====

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,416,270		\$ 826,334	\$ (161)	\$ 826,173
2	1/8 of O&M Expenses on Line 1	\$ 427,034		\$ 103,292	\$ (20)	\$ 103,272
3	Less: Average Taxes Accrued	(43,338)		(20,753)	-	(20,753)
4	Subtotal	383,696		82,539	(20)	82,519
5	Required Bank Balances	340	23.4718%	80	-	80
6	Bond Reacquisition Premiums	101,325	16.1145%	16,328	-	16,328
7	Pension Funding	668,140	23.8713%	159,494	-	159,494
8	Prepayments	18,044	29.2899%	5,285	-	5,285
9	Total Working Capital Investment	\$ 1,171,545		\$ 263,726	\$ (20)	\$ 263,706

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 834,098	23.7825%	\$ 198,502	\$ 161,117	\$ 359,619
2	Transmission	122,035	18.3229%	22,110	8,516	30,626
3	Distribution	84,329	25.3037%	21,260	178	21,438
4	General	14,682	23.8533%	3,477	930	4,407
5	Intangible	174,341	23.5362%	41,287	7,572	48,859
6	Total Construction Work in Progress	\$ 1,229,485		\$ 286,637	\$ 178,312	\$ 464,949
		=====		=====	=====	=====

Line

No. Description

Twelve Months Ended 30-Sep-2013

1	SEC Fixed Charges Coverage	4.15
2	Earnings per Share	\$3.35

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<b>Operating Revenues (\$000s)</b>								
1	Residential	\$ 2,645,278			\$ 2,053,407	77.6254%	\$ 591,871	22.3746%
2	Commercial	2,155,357			1,725,123	80.0389%	430,234	19.9611%
3	Industrial	1,161,760			742,208	63.8865%	419,553	36.1135%
4	Public Street & Highway Lighting	44,556			38,091	85.4902%	6,465	14.5111%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	347,064	338,232	97.4552%	7,484	2.1564%	1,348	0.3884%
8	Other	-	-	0.0000%	-	-	-	-
9	Joint Dispatch	111,140	7,453	6.7062%	75,637	68.0553%	28,050	25.2385%
10	Mitigation	19,239	19,239	100.0000%	-	-	-	-
11	Total Revenue from Sales of Electricity	\$ 6,484,395	\$364,924	5.6277%	\$ 4,641,949	71.5865%	\$1,477,522	22.7858%
<b>Kilowatt-hour Sales (000s)</b>								
12	Residential	26,618,987			20,398,062	76.6297%	6,220,924	23.3703%
13	Commercial	27,534,033			21,977,374	79.8189%	5,556,658	20.1811%
14	Industrial	20,945,075			12,369,817	59.0584%	8,575,258	40.9416%
15	Public Street & Highway Lighting	291,965			249,741	85.5381%	42,224	14.4619%
16	Interdepartmental	-			-	0.0000%	-	0.0000%
17	Sales for Resale:							
18	Special Contract	5,775,084	5,628,121	97.4552%	124,534	2.1564%	22,430	0.3884%
19	Other	-	-	0.0000%	-	-	-	-
20	Joint Dispatch	2,927,880	196,349	6.7062%	1,992,578	68.0553%	738,953	25.2385%
21	Mitigation	784,396	784,396	100.0000%	-	-	-	-
22	Total KWH Sales	84,877,419	6,608,867	7.7864%	57,112,106	67.2878%	21,156,447	24.9259%
<b>Revenue Per KWH Sold (Cents)</b>								
23	Residential	9.94			10.07		9.51	
24	Commercial	7.83			7.85		7.74	
25	Industrial	5.55			6.00		4.89	
26	Public Street & Highway Lighting	15.26			15.25		15.31	
27	Interdepartmental	-			-		-	
28	Sales for Resale:							
29	Special Contract	6.01	6.01		-		-	
30	Other	-	-		-		-	
31	Total Revenue per KWH Sold	7.64	5.52		-		-	